

Ingleside Crude, LLC

Via Electronic Mail & FedEx

October 4, 2017

Paxton N. Crew
Johnson & Crew, PLLC
305 East Main Street
League City, Texas 77573

Brady E. Crosswell
BSN Industrial, LLC
901 Wild Valley
Houston, Texas 77057

Re: Terminal Services Agreement (the "TSA") dated December 28, 2016 between Ingleside Crude, LLC ("Ingleside") and BSN Industrial, LLC ("BSN")

Ingleside hereby advises BSN that BSN is non-compliant with Item 4.1.3 of the TSA, which states in part... "Security Deposit shall be due and payable to Customer 10 days after Customer has vacated Tank 13 *and both Tank 13 and 16 have been cleaned and certified as set forth herein (emphasis added).*" Although Mr. Nick Wuertz provided a 30-day termination notice on June 30, 2017, Tanks 13 and 16 were not cleaned as specified in the TSA at the end of the notice termination period (on or about July 30, 2017). Further, BSN's product remained in the tank during the month of August and remains in the tank currently.

As BSN is aware, the Terminal Facility is a "Superfund Site" as designated by the U.S. Environmental Protection Agency (the "EPA"). Therefore, the Terminal Facility (including its associated storage tanks) are subject to stringent cleanup and oversight requirements by the EPA. As is also stipulated in Item 4.1.3 of the TSA, the Security Deposit does not represent a cleaning deposit. Until Tank 13, Tank 16, and the pipeline to the barge dock have been cleaned and certified, Ingleside will not release the Security Deposit and rent shall continue to accrue.

This letter shall also serve as a demand for payment of outstanding and unpaid Invoice Nos. 1107, 1108, and 1111, which are attached hereto.

Sincerely,

A handwritten signature in blue ink, appearing to read 'JP Carroll', is written over the name Jonathan P. Carroll.

Jonathan P. Carroll
President

Ingleside Crude, LLC

801 Travis Street
Suite 2100
Houston, TX 77002

Invoice

Invoice Date	Invoice #
9/20/2017	1111

Bill To
BSN Industrial, LLC 5851 San Felipe Suite 230 Houston, TX 77057

Lease Month	Reference #	Terms
Oct 2017	Tank Lease	Due on receipt

Quantity	Description	Price	U/M	Amount
	Lease of Ingleside Crude tank 13 for the month of October 2017	50,000.00		50,000.00
	Wire & ACH instructions: Bank Name: Veritex Community Bank Bank Address: Dallas, TX Routing #: 111024865 Account Name: Lazarus Energy Holdings LLC Account #: 42016980			
Thank you for your business.			Total	\$50,000.00

Ingleside Crude, LLC

801 Travis Street
Suite 2100
Houston, TX 77002

Invoice

Invoice Date	Invoice #
8/17/2017	1108

Bill To
BSN Industrial, LLC 5851 San Felipe Suite 230 Houston, TX 77057

Lease Month	Reference #	Terms
Sept 2017	Tank Lease	Due on receipt

Quantity	Description	Price	U/M	Amount
	Lease of Ingleside Crude tank 13 for the month of September 2017	50,000.00		50,000.00
Wire & ACH instructions: Bank Name: Sovereign Bank NA Bank Address: Dallas, TX Routing #: 111924994 Account Name: Lazarus Energy Holdings LLC Account #: 42016980				
Thank you for your business.			Total	\$50,000.00

Ingleside Crude, LLC

801 Travis Street
Suite 2100
Houston, TX 77002

Invoice

Invoice Date	Invoice #
7/18/2017	1107

Bill To
BSN Industrial, LLC 5851 San Felipe Suite 230 Houston, TX 77057

Lease Month	Reference #	Terms
August 2017	Tank Lease	Due on receipt

Quantity	Description	Price	U/M	Amount
	Lease of Ingleside Crude tank 13 for the month of August 2017	50,000.00		50,000.00
	Wire & ACH instructions: Bank Name: Sovereign Bank NA Bank Address: Dallas, TX Routing #: 111924994 Account Name: Lazarus Energy Holdings LLC Account #: 42016980			

Thank you for your business.	Total	\$50,000.00
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